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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

1 SENTIUS INTERNATIONAL, LLC,

2 Plaintiff,

3 vs.

4 MICROSOFT CORPORATION,

5 Defendant.

Case No. C-13-0825-PSG

**SENTIUS INTERNATIONAL, LLC'S
MOTION FOR LEAVE TO
AMEND/SUPPLEMENT ITS
INFRINGEMENT CONTENTIONS POST-
MARKMAN**

6 DATE: April 4, 2014

7 TIME: 9:00 a.m.

8 PLACE: Hon. Paul Singh Grewal

COURTROOM: 5, 4th Floor

9
10 **PLEASE TAKE NOTICE THAT ON** April 4, 2014, at 9:00 A.M., or as soon thereafter
11 as the matter may be heard, in Courtroom 5 of the above-entitled court, located at 201 S 1st
12 Street, San Jose, CA 95113, Plaintiff Sentius International, LLC ("Sentius") will and hereby does
13 move the Court pursuant to Patent Local Rule 3-6 for the Northern District of California for an
14 Order granting leave to supplement Sentius's Disclosure of Asserted Claims & Infringement
15 Contentions ("Infringement Contentions").

16
17 This Motion is based upon this Motion and Memorandum of Points and Authorities, the
18 Declaration of Seth Ard, the exhibits attached thereto, the [Proposed] Order filed concurrently
19 herewith, the records and files in this action, and any other matters of which this Court may take
20 judicial notice.

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MEMORANDUM AND POINTS OF AUTHORITIES

This Court held a *Markman* hearing on January 8, 2014, and construed 6 terms in its Claims Construction Order dated January 9, 2014. By this motion, Sentius seeks leave to amend its infringement contentions by adding three dependent claims, which, taken together, provide:

The method of claim [8, 62 or 148], wherein the link is reference information for retrieving the selected one of [the plurality of] external reference materials.

RE40,731 ('731) claim 24; RE43,633 ('633) claim 70 & 154. These dependent claims simply provide that a “link” can be “reference information.” They are asserted in response to the Court’s construction of ‘link,’ which adopted the word ‘pointer’ (proposed by Microsoft) rather than the word ‘reference’ (proposed by Sentius).

Sentius respectfully submits that since Sentius is not altering its contentions to point to different products or components from its original contentions, and Sentius is not substantively changing its infringement positions, the motion should be granted. With the exception of the addition of these three dependent claims, Microsoft has already stipulated to Sentius' second amended infringement contentions. Likewise, Sentius has agreed to Microsoft's third amended invalidity contentions.

Under the case law, the amendment is appropriate for three simple reasons. First, Sentius was diligent in proposing the amendment. The parties exchanged proposed amendments to their respective contentions earlier this month (including those at issue in this motion), and stipulated to the other proposed amendments. Microsoft has not disputed that Sentius acted diligently in amending its contentions after the *Markman* hearing. Second, the amendments arise from a material difference in the claim construction from the one Sentius proposed, which is a type of good cause recognized by Local Rule 3-6. Third, the amendments do not prejudice Microsoft: no

1 new products are accused; no new infringement theories are introduced; the dependent claims
 2 only establish that ‘reference information’ can be a ‘link.’ Further, Microsoft agreed at the
 3 Markman hearing that the term ‘link’ cannot exclude a reference, so there should be no need for
 4 supplemental claim construction or prior art disclosures; and, in any event, Sentius has offered to
 5 permit Microsoft to assert new prior art to address these newly asserted claims to alleviate any
 6 potential prejudice that may arise.

8 In order to avoid this motion practice, Sentius proposed to drop these claims if Microsoft
 9 would stipulate to a jury instruction that a ‘link,’ as set forth in the independent claims, may
 10 comprise “reference information for retrieving the selected one of [the plurality of] external
 11 reference materials,” as set forth in dependent claims. Under basic principles of claim
 12 construction, this instruction should not be controversial, but Microsoft refused. In the alternative
 13 to the relief sought by this motion, Sentius would also consent to an instruction along these lines.

14 **I. RELEVANT FACTS**

15 Sentius served its Initial Infringement Contentions on June 11, 2013. (Dkt. #43).
 16 Microsoft served Initial Invalidity Contentions in this case on July 26. (Dkt. #43). By Court-
 17 ordered stipulation, Sentius served its first supplemental Infringement Contentions on
 18 September 13, 2013 and Microsoft served its first supplemental Invalidity Contentions on
 19 October 11, 2013. (Dkt. # 43). With Sentius’s consent, Microsoft filed second supplemental
 20 Invalidity Contentions shortly after Octover 24, 2013. (Dkt. #49).
 21

22 At the claim construction hearing, Sentius and Microsoft agreed to the construction of
 23 ‘link’ with one exception: where Microsoft proposed the word ‘pointer,’ Sentius proposed the
 24 word ‘reference.’ Here are the proposed constructions:
 25

Claim Term	Sentius's Construction	Microsoft's Construction
“a link to the at least one of the plurality of external reference materials/links to the external reference materials” The '633 and '731 patents	a reference to data or information or the location of data or information / reference to data or information or the location of data or information that is external to the source material	a pointer to data or information or the location of data or information / pointers to data or information or the location of data or information that is external to the source material

See Ex. A, 1/8/14 Hearing Transcript (“Tr.”) at 47-48 (emphasis added). At the *Markman* hearing, counsel for Microsoft agreed that ‘link’ cannot be construed to exclude “something like a **reference**, an address or a reference numeral, which we’re not trying to do. We do agree they get at least that much, so we wouldn’t want to exclude that.” Ex. 1 (Tr. at 66) (emphasis added).¹ The Court adopted Microsoft’s construction. *See* Claim Construction Order (“Order”) (Dkt. 66).

On January 29, 2014, Sentius notified Microsoft that Sentius intended to amend its contentions based on the Court’s *Markman* Order; Microsoft responded that it also intended to amend its invalidity contentions in light of the same order. Microsoft sent its proposed contentions on February 6, 2014, and Sentius sent its proposed contentions on February 12, 2014. Sentius’s proposed amendments are attached at Exhibit B. Sentius agreed to all of Microsoft’s amendments. Microsoft agreed to all of Sentius’ amendments, except the addition of the following three dependent claims:

The method of claim [8. 62 or 148], wherein the link is reference information for retrieving the selected one of [the plurality of] external reference materials.

¹ The full quotation is as follows: “‘Connection’ I just believe is maybe not the right word, only because in my view it could exclude something like a reference, an address or a reference numeral, which we’re not trying to do. We do agree they get at least that much, so we wouldn’t want to exclude that.” Ex. A, Tr. at 66. While Microsoft was discussing why ‘connection’ is not the right word, it clearly was conceding that the term ‘link’, properly construed, cannot exclude “a reference, an address or a reference numeral.”

1 ‘731 claim 24; ‘633 claims 70 & 154. Sentius’ proposed infringement contentions relating to
 2 these claims, also sent to Microsoft on February 12, 2014, do not add any new infringement
 3 theories or cite any new appendices. Ex. B. Nor does Sentius propose to add any new accused
 4 products or components.
 5

6 In the correspondence that followed, Microsoft gave three reasons for refusing its consent
 7 to these new claims: according to Microsoft, the local rules do not permit adding claims post-
 8 *Markman*; Microsoft would be prejudiced because it may “potentially” need to search for
 9 additional prior art and may “potentially” ask for claim construction on the new terms; and
 10 Sentius seeks an end-run around the Court’s construction. Ex. C. While Sentius stated that
 11 ‘reference information’ was used in its plain meaning, and invited Microsoft to explain what it
 12 believed the term meant so that the parties could reach a resolution, Microsoft did not accept the
 13 invitation. Ex. C. To alleviate the concern of prejudice and potential relevant prior art, Sentius
 14 offered to give Microsoft 2 additional weeks to supplement its invalidity contentions. Ex. C.
 15

16 In response to a question from Sentius, Microsoft explained that its amendments were
 17 justified in light of the claim construction order because it was raising an invalidity argument
 18 that it raised during claim construction, and it was fine-tuning its contentions relating to the
 19 ‘syndication’ claims in light of the Court’s adoption of Sentius’s construction of syndication.
 20 Ex. C. Sentius responded that the supplementation at issue in this motion was appropriate for the
 21 same reasons, and consented to Microsoft’s proposed amendments.
 22

23 On February 20, 2014, the parties filed a stipulation agreeing that both parties had “good
 24 cause” for, and were not prejudiced by, the amendments. (Dkt. 67). The stipulation noted the
 25 current dispute and set a briefing schedule. The Court approved the stipulation the same day.
 26 (Dkt. 68).
 27

1 On February 26, 2014, after receiving the *Markman* transcript in which Microsoft
 2 conceded that a ‘link’ can be a ‘reference,’ Sentius proposed a stipulation to resolve this motion,
 3 whereby the parties would agree to a jury instruction along these lines: “a ‘link’ [as set forth in
 4 independent claim 8, 62, or 148] may comprise ‘reference information for retrieving the selected
 5 one of [the plurality of] external reference materials’ [as set forth in dependent claims 24, 70 or
 6 154].” Ex. C. Microsoft declined, stating that it did not know what ‘reference information’
 7 meant. Microsoft explained that, in its view, ‘reference information’ refers to external content,
 8 which does not make sense given that the link is to the external content. Ex. C. Sentius replied
 9 that, in the context of the claim, ‘reference information’ cannot refer to the external content for
 10 the reasons Microsoft stated, but rather the terms ‘reference’ and ‘information’ are used in their
 11 ordinary sense. Ex. C. Sentius noted further that, even if the parties ultimately need to brief the
 12 meaning of ‘reference information’, the proposed stipulation can alleviate the need for this
 13 motion. Ex. C. Microsoft declined.

14

15 **II. LEGAL STANDARD**

16 Patent Local Rule 3-6 allows the parties to amend their infringement contentions “by
 17 order of the Court upon a timely showing of good cause.” Pat. L.R. 3-6. The rule provides a non-
 18 exhaustive list of circumstances that may support a finding of good cause, including: “A claim
 19 construction by the Court different from that proposed by the party seeking amendment.” Pat. L.-
 20 R. 3-6(a). To fall within this prong, the proposed amendment must be in response to a material
 21 difference in the claim construction from that proposed by moving party. *See Apple Inc. v.*
 22 *Samsung Electronics Co. Ltd.*, 12-CV-0630-LHK PSG, 2013 WL 3246094 (N.D. Cal. June 26,
 23 2013). “Good cause” also requires a showing that “the party seeking leave to amend acted with
 24 diligence promptly when new evidence is revealed.” *O2 Micro Int’l, Ltd. v. Monolithic Power*

1 *Systems, Inc.*, 467 F.3d 1355, 1363, 1366 (Fed. Cir. 2006). Once the moving party shows it was
 2 diligent in amending its contentions, the court considers whether the non-moving party “would
 3 suffer prejudice if the motion to amend were granted.” *Acer, Inc. v. Tech. Properties Ltd.*, 5:08-
 4 CV-00877 (JF/HRL), 2010 WL 3618687 *3 (N.D. Cal. Sept. 10, 2010). “If the court finds that
 5 the moving party was not diligent in amending its infringement contentions, there is no need to
 6 consider the question of prejudice to the non-moving party, although a court in its discretion may
 7 elect to do so.” *GPNE Corp. v. Apple Inc.*, 12-CV-02885-LHK PSG, 2013 WL 6157930 *1
 8 (N.D. Cal. Nov. 22, 2013).

9
 10 **III. ARGUMENT**

11 **A. Sentius Acted Diligently**

12 Sentius was diligent in seeking leave to amend after the issuance of the claim
 13 construction order. Within three weeks of the order, Sentius notified Microsoft that it intended
 14 to amend its contentions, and sent its amended contentions 2 weeks later. That is diligent under
 15 the case law. *GPNE Corp.*, 2013 WL 6157930 at *1-2 (finding diligence when party revealed its
 16 intent to amend within six days of the court’s claims construction order and circulated some of
 17 its revised contentions 25 days after that). Further, Sentius and Microsoft stipulated that they
 18 each had “good cause” to file the remainder of their contentions, which were filed at the same
 19 time as the proposed amendments at issue on this motion (Dkt. 67). Finally, Sentius could not
 20 have anticipated the full scope of the amendments needed prior to obtaining the Court’s claim
 21 construction order, and was at least as diligent as Microsoft which added invalidity theories
 22 raised at claims construction.

1 **B. Sentius Otherwise Has Good Cause For Amendment**

2 In addition to acting diligently, Sentius has good cause for the amendment under L-R
 3 3.6(a). During claim construction, Sentius proposed ‘reference’ to construe link and Microsoft
 4 proposed ‘pointer.’ The Court adopted Microsoft’s construction. The proposed amendment –
 5 which seeks to add dependent claims clarifying that a ‘link’ can comprise “**reference**
 6 **information** for retrieving the selected one of the plurality of external reference materials” – is
 7 plainly responsive to a material difference in the claim construction.

8 Microsoft asserts that the local rules prevent adding new claims after claim construction,
 9 but the rules do not contain any such provision, and Courts have granted leave to assert new
 10 claims after claim construction. *See, e.g., U.S. Ethernet Innovations, LLC v. Acer, Inc.*, C 10-
 11 3724 CW, 2013 WL 5609325 (N.D. Cal. Oct. 11, 2013) (granting leave to add new claims more
 12 than two years after claim construction).

13 **C. The Amendments Do Not Prejudice Microsoft**

14 Microsoft would not be prejudiced by the amendment: Sentius is not adding new
 15 products or infringement theories, so there is no need for new discovery. *See GPNE Corp. v.*
 16 *Apple Inc.*, 12-CV-02885-LHK PSG, 2013 WL 6157930 *1-2 (finding no prejudice because
 17 amended contentions add no new products nor identify any new code, so no discovery is
 18 needed); *Apple v. Samsung*, 2013 WL 3246094, at *6 (N.D. Cal. June 26, 2013) (“The court also
 19 finds that Apple would not be prejudiced by these amendments. Apple has had notice that
 20 Samsung believes Apple’s mobile devices infringe the patent and so it presumably already
 21 produced discovery regarding the products.”). Further, if any additional discovery is needed,
 22 there is sufficient time on the pretrial clock, and Sentius will consent to an extension of the
 23 pretrial schedule if the Court believes that will help. *See, e.g., U.S. Ethernet Innovations*, 2013
 24

1 WL 5609325 at *3 (“[G]iven that there is still sufficient time left on the pretrial clock, and that
 2 Claim 15 mirrors claims that have already been the subject of claim construction proceedings, it
 3 seems unlikely that the proposed amendment will cause prejudice to Defendant.”).

4 Microsoft complained that it “potentially” may have to conduct a new prior art search.
 5 No new search should be needed: the dependent claim clarifies that a ‘link’ can be ‘reference
 6 information,’ but that does not extend the scope of any claim, and so it should not give rise to
 7 new prior art searches. Notably, Microsoft has not said why a new prior art search would be
 8 needed, only that Microsoft may “potentially” ask for one. Even if a new prior art search were
 9 needed, that would not be “undue prejudice” sufficient to defeat the amendment. *See Apple Inc.*
 10 *v. Samsung Electronics Co., Ltd.*, CV 12-00630 LHK-PSG, 2012 WL 5632618, *2 (N.D. Cal.
 11 Nov. 15, 2012) (“Plaintiffs argue that they will be prejudiced by having to conduct additional
 12 prior art research and by having to brief the new claim terms that were added during
 13 reexamination. However, any such prejudice is insufficient to outweigh TPL’s right to assert new
 14 claims and the Court’s interest in resolving the parties’ disputes as comprehensively as is
 15 possible.”). Further, Sentius has already offered Microsoft an extension to serve fourth
 16 supplemental invalidity contentions in order to alleviate any prejudice; that is more than enough
 17 to alleviate any possible prejudice. *See DCG Systems v. Checkpoint Technologies, LLC*, C 11-
 18 03792 PSG, 2012 WL 1309161, *2-*3 (N.D. Cal. Apr. 16, 2012) (“While an amendment may
 19 force Checkpoint to research further the prior art, amend its invalidity contentions, and perhaps
 20 supplement its claim construction briefing that is due shortly, DCG is no position to object to
 21 appropriate accommodations in the pretrial schedule that might be required.”).

22 Microsoft also stated that it “potentially” may have to ask for a new claim construction
 23 on the term ‘reference information.’ Microsoft has not stated what it believes the term ‘reference
 24

1 information' means, but rather has only stated that it does not know what it means because, in its
 2 view, 'reference information' refers to external content, which does not make sense because a
 3 link is to the external content. The simple response is that, in the context of the claim, 'reference
 4 information' cannot mean the external content for the reasons Microsoft stated. Rather, the
 5 terms 'reference' and 'information' are used in their ordinary sense, and any proposed
 6 construction of 'reference information' will raise as many questions about the terms used to
 7 define that phrase as that phrase itself. Indeed, Microsoft already agreed at the *Markman* hearing
 8 that 'link' cannot be construed to exclude "a reference, an address or a reference numeral," and it
 9 is not a far leap from 'reference' to 'reference information.' Ex. A, Tr. at 66.
 10

11 In addition, under basic principles of claim construction, the term 'link', as used in the
 12 independent claim, presumptively cannot be interpreted to exclude 'reference information' in
 13 light of the dependent claim language that explains that a 'link' can be 'reference information.'
 14 Significantly, Microsoft has never disagreed with that point, nor can it. As a result, no matter
 15 whether these dependent claims are asserted or not, the parties will have to grapple with the
 16 meaning of 'reference information.' Accordingly, Sentius continues to be willing to resolve this
 17 motion by stipulating that 'link,' as set forth in the independent claims, may comprise 'reference
 18 information for retrieving the selected one of [the plurality of] external reference materials,' as
 19 set forth in dependent claims 24, 70 or 154.
 20

21 Even if a new construction were needed, that would not be "undue prejudice." *See Acer,
 22 Inc. v. Tech. Properties Ltd.*, 5:08-CV-00877 JF/HRL, 2011 WL 1838768 *5 (N.D. Cal. May 13,
 23 2011) (noting that the prejudice of "having to brief the new claim terms" does not outweigh the
 24 parties' and the Court's interest in resolving the dispute as comprehensively as possible);
 25 *Vasudevan Software, Inc. v. Int'l Bus. Machines Corp.*, 09-05897 RS HRL, 2011 WL 940263 *3
 26

1 (N.D. Cal. Feb. 18, 2011) (“While it is true that VSi did not move for leave to amend until after
 2 the parties filed their claim construction briefs and Judge Seeborg held the claim construction
 3 hearing, the Court is not convinced that VSi’s proposed amendments will dramatically affect any
 4 of the claims that were construed, and Judge Seeborg can issue a supplemental claim
 5 construction order if he believes it to be necessary.”).

6 Finally, there is no merit to Microsoft’s contention that Sentius is attempting an
 7 impermissible end-round the Court’s claim construction order. Adding a claim cannot be an
 8 end-round around a construction. Rather, claims must be interpreted in light of the other claims,
 9 regardless whether they are asserted or not.

10 For the foregoing reasons, Sentius respectfully requests permission to supplement its
 11 infringement contentions in the manner set forth in exhibit B.

12 Dated: February 28, 2014

13 SUSMAN GODFREY L.L.P.

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Attorneys for Plaintiff Sentius International, LLC

1 CERTIFICATE OF SERVICE

2 The undersigned hereby certifies that a true and correct copy of the above and foregoing
3 document has been served on February 28, 2014 to all counsel of record who are deemed to have
4 consented to electronic service via the Court's CM/ECF system per Civ. L.R. 5-1(h)(1). Any
5 other counsel of record will be served by U.S. Mail or hand delivery.

6
7 By: /s/ Seth Ard
8 Seth Ard
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